

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 L-03
H-02 PRS-01 PA-02 /100 W
-----051411 033735 /46

R 041600Z MAR 77
FM AMCONSUL QUEBEC
TO SECSTATE WASHDC 912
INFO AMEMBASSY OTTAWA
AMCONSUL MONTREAL
AMCONSUL TORONTO

UNCLAS QUEBEC 0095

E.O. 11652 : N/A
TAGS: EKin, ETRN, CA, US
SUBJECT: AMERICAN INCOME TAX CHANGE DAMAGES QUEBEC TOURIST
INDUSTRY

1. QUEBEC MINISTER OF TOURISM, HUNTING AND FISHING, YVES DUHAIME, REQUESTED IN A LETTER ADRESSED TO CONSUL GENERAL THAT DAMAGE BEING CAUSED TO QUEBEC TOURIST INDUSTRY BY THE RECENT DECISION ALTER US INCOME TAX REGULATIONS CONCERNING DEDUCTIONS ALLOWABLE FOR ATTENDANCE AT CONVENTIONS HELD OUTSIDE THE U.S. BE BROUGHT TO ATTENTION OF APPROPRIATE AMERICAN AUTHORITIES IN HOPES THEY MIGHT TAKE ACTION ALLEVIATE AFFECTS ON QUEBEC TOURIST INDUSTRY.

2. INFORMAL TRANSLATION OF TEXT OF MINISTER S LETTER FOLLOWS:
" FOLLOWING THE ADOPTION BY THE CONGRESS OF NEW CHANGES TO THE INCOME TAX LAW CONCERNING ADMISSABLE DEDUCTIONS FOR PARTICIPATION AT CONVENTIONS HELD OUTSIDE THE U.S., INQUIRIES MADE BY MY MINISTRY WITH QUEBEC TOURIST ESTABLISHMENTS INDICATE TO US A SUDDEN AND DISQUIETING FALL IN CONVENTIONS PLANNED FOR 1977 AND FOR SUBSEQUENT YEARS.

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" WE ESTIMATE, AT PRESENT, THAT ABOUT 50 AMERICAN CONVENTIONS HAVE CANCELLED THEIR ARRANGEMENTS WITH HOTELS IN QUEBEC. THIS REPRESENTS A SUBSTANTIAL LOSS IN INCOME FOR THE QUEBEC TOURIST INDUSTRY. MOREOVER, I HAVE EVERY REASON TO BELIEVE THAT THE SITUATION WILL WORSEN, SINCE THE MAJORITY IF NOT ALL OF TENTATIVE RESERVATIONS REMAIN FOR THE TIME BEING WITH-

OUT CONFIRMATION. IT APPEARS THAT THESE AMERICAN ASOCIATIONS ARE NOW RESERVING DECISION, OR CHANGES PLANS FOR THEIR CONVENTIONS IMMEDIATELY FOLLOWING THE ADOPTION OF THESE NEW FISCAL MEASURES.

" I WISH TO BRING THESE FACTS TO YOUR ATTENTION HOPING THAT THEY WILL BE BROUGHT TO THE ATTENTION OF AMERICAN GOVERNMENT AUTHORITIES AND THAT AN APPROPRIATE SOLUTION CAN BE FOUND. THE MOVEMENT OF TOURISTS, WHETHER QUEBECERS TOWARDS THE US OR THE INVERSE, HAS CONTRIBUTED SUBSTANTIALY TO ECONOMIC DEVELOPMENT AND CONSTITUTES AN EXCELLENT VEHICLE FOR INCREASING KNOWLEDGE AND MUTUAL UNDERSTANDING.

" I AM QUITE INTERESTED IN SEEING THESE RELATIONS INTENSIFY IN THE FUTURE."

3. ACTION REQUESTED BY POST:

EVIDENT DEGREE OF MINISTERIAL CONCERN IS REFLECTION OF SERIOUS IMPACT AMERICAN DECISION MODIFY PROVISIONS OF OUR INCOME TAX LAW AFFECTING DEDUCTIONS FOR CONVENTION ATTENDANCE IS HAVING ON CANADIAN TOURIST INDUSTRY. POST WOULD APPRECIATE INFORMATION FROM DEPARTMENT AS SOON AS POSSIBLE ON PROSPECTS FOR EASEMENT WHICH COULD BE PASSED TO MINISTER DUHAIME. MCNAMARA

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOURISM, TRADE, INCOME TAXES, TAX REFORMS
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977QUEBEC00095
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Format: TEL
From: QUEBEC
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ISecure: 1
Legacy Key: link1977/newtext/t19770392/aaaaddda.tel
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Litigation Codes:
Litigation History:
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TAGS: EFIN, ETRN, CA, US
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